

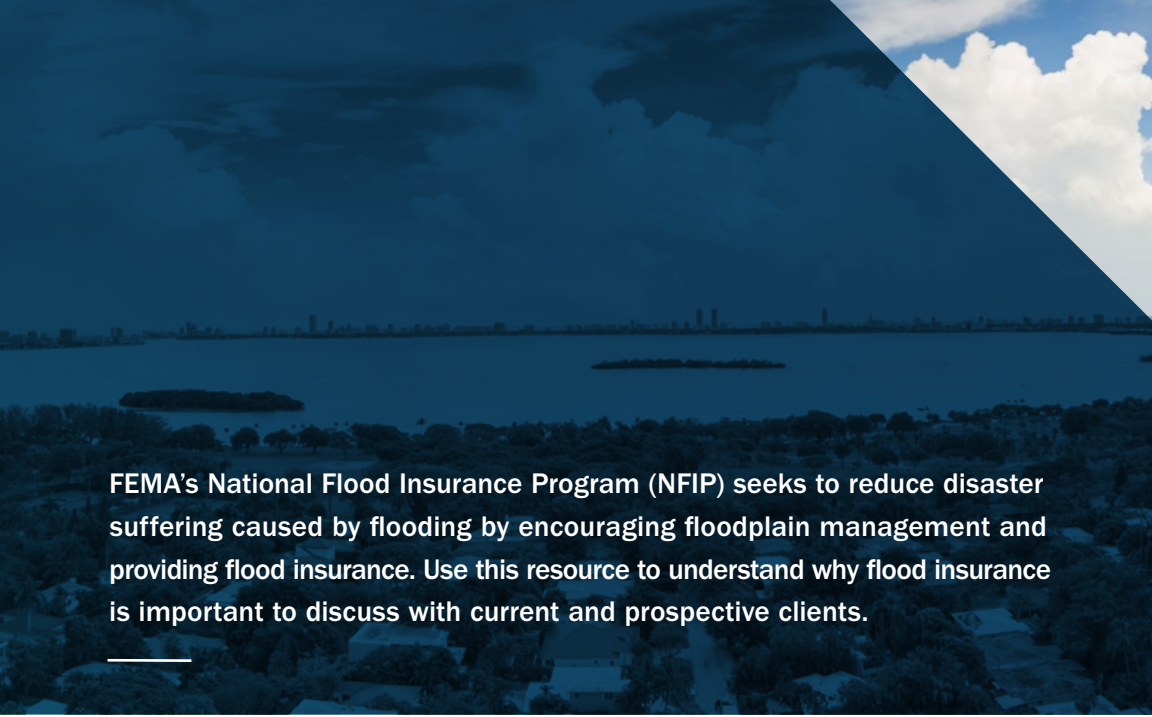
NATIONAL FLOOD INSURANCE PROGRAM

QUESTIONS & ANSWERS FLOOD INSURANCE FOR REAL ESTATE PROFESSIONALS



FEMA





FEMA's National Flood Insurance Program (NFIP) seeks to reduce disaster suffering caused by flooding by encouraging floodplain management and providing flood insurance. Use this resource to understand why flood insurance is important to discuss with current and prospective clients.

WHY SHOULD I TALK TO MY CLIENTS ABOUT FLOOD INSURANCE?

Your clients trust you to help them navigate the exciting—yet sometimes overwhelming—process of buying and owning property. Being informed and sharing information on ways your customers can protect their investment builds your credibility and eases their mind.

For properties in high-risk flood areas (known as special flood hazard areas or SFHAs), you may need to explain the flood insurance purchase requirement to clients. Note that lenders will require clients to purchase flood insurance if their property is located in an SFHA, and some lenders may even require flood insurance for properties outside SFHAs as part of their risk management process. It is important to understand a lender's insurance requirement prior to the purchase of a property, to prevent delays at closing.

Turn to **page 6** for more information on SFHAs.



WHY SHOULD CLIENTS PURCHASE FLOOD INSURANCE?

There are many common misconceptions regarding flood risk and flood insurance. Have these talking points prepared to discuss with clients, regardless of their flood zone.



A property does not have to be near water to flood. Floods can result from storms, melting snow, hurricanes, drainage system backups, broken water mains and changes to land from new construction, among other things. From the years 2014 to 2024, almost one-third of NFIP flood insurance claims came from areas located outside of current high-risk flood areas.



Standard property insurance policies typically do not cover floods. Only a flood insurance policy can fill this gap in your clients' coverage. The NFIP offers building and contents coverage to protect your clients in the event of a flood. Contents coverage is separate from building coverage and includes your client's personal belongings. The NFIP encourages everyone to purchase both types of coverages for the best protection possible.



Federal disaster assistance offers limited help. It is available only for areas affected by a presidentially declared disaster. It typically comes in the form of financial or direct assistance from FEMA and low-interest loans from the U.S. Small Business Administration (SBA). Neither of these are intended to serve as a substitute for flood insurance, as they will not compensate for all losses caused by a disaster. From 2020 to 2024, a grant through FEMA's Individuals and Households Program averaged \$2,704 per household. By comparison, from 2020 to 2024, the average flood insurance claim payment was almost \$64,000.

WHO CAN PURCHASE FLOOD INSURANCE?

Examples of prospective NFIP policyholders include homeowners, renters, tenants, commercial businesses, unit owners and condominium associations. Anyone in a community that participates in the NFIP can purchase building and/or contents coverage, with few exceptions. As of 2025, about 22,700 communities in the United States participate in the NFIP, so residents within these communities can obtain coverage.

Licensed insurance agents can tell if a specific community participates in the NFIP, or anyone can browse a list of participating communities in the Community Status Book at fema.gov/community-status-book. There are some areas and/or buildings that may not be eligible for NFIP flood insurance coverage. Contact an NFIP insurer for more information on eligibility.

HOW MUCH WILL FLOOD INSURANCE COST?

Flood insurance premiums will vary depending on flood frequency, multiple flood types—river overflow, storm surge, coastal erosion and heavy rainfall—and distance to a water source, as well as property characteristics such as elevation and the cost to rebuild.

You may want to talk to prospective buyers about obtaining a quote for both building and contents coverage. They are separate coverages with separate deductibles. Encourage your clients to get a quote today using the NFIP Quoting Tool at floodsmart.gov/policy-quote.

WHEN IS THE BEST TIME TO BUY FLOOD INSURANCE COVERAGE?

Now! A 30-day waiting period typically applies from when coverage is purchased.

However, there are exceptions to the 30-day waiting period related to loans and closing. When the initial purchase of flood insurance is in connection with the making, increasing, extension or renewal of a mortgage loan, there is no waiting period. In addition, a seller can transfer their policy to the new property owner, regardless of whether there is a mortgage involved.

HOW DO CLIENTS OBTAIN A FLOOD INSURANCE POLICY?

Your clients can call their insurance provider for more information or use the NFIP's Quoting Tool to find an insurance agent at floodsmart.gov/policy-quote.



WHAT IF MY CLIENT'S PROPERTY IS IN AN SFHA?

Mortgage lenders use flood maps to determine a property's flood risk and decide whether to require flood insurance as a condition of a loan. Lenders require homeowners and business owners inside SFHAs to purchase flood insurance if they have a government-backed loan on the building. In these instances, your client will be notified that flood insurance is required as a condition of receiving the loan. This is known as the mandatory purchase requirement.

Coverage may be required by lenders in any area of risk, though, even outside an SFHA. Read more on the mandatory purchase requirement in Answers to Questions About the NFIP at agents.floodsmart.gov/nfip-answers-to-questions.





How will I know if a client's property is in an SFHA?

Your clients can check with their local community or visit [floodsmart.gov/flood-zones-and-maps](https://www.floodsmart.gov/flood-zones-and-maps) to learn more about their flood risk. Anyone can view and download flood maps from [msc.FEMA.gov](https://www.msc.fema.gov). SFHAs are shown on flood maps as flood zones beginning with A, AE, V or VE, with Zones V or VE being used for coastal areas.



Am I legally liable if I do not disclose the fact that a property is in a high-risk flood area?

Many states have disclosure laws for real estate professionals that address all natural hazards, including floods. Check with your real estate licensing authority or state REALTOR® association for disclosure laws. You can better help your client understand flood risk by learning more about it yourself. Visit [floodsmart.gov](https://www.floodsmart.gov) to learn more about flood risk and NFIP flood insurance.



What is an Elevation Certificate (EC), and what is it used for?

An EC is an optional tool used by the NFIP which can potentially lower your clients' flood insurance premium. To find out if a property already has an EC, consumers can contact the local building permit office, the local planning and zoning office, the previous owner or a flood insurance agent. If a client is unable to identify an existing EC for their property, they may complete the EC themselves or hire a licensed land surveyor, engineer or architect to provide one.

Should you or your client need more information about ECs, how the NFIP uses ECs and why they may need one, visit agents.floodsmart.gov/elevation-certificate-fact-sheet.



FEMA



Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management, and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP. For more information about flood mapping or general flood insurance questions, contact the FEMA Mapping and Insurance eXchange (FMIX) Customer Call Center at **(800) 336-2627**.

If you use a relay service, such as video relay service (VRS), captioned telephone service or others, give FEMA the number for that service.